HON'BLE SRI JUSTICE V.V.S. RAO

WRIT PETITION No.23615 of 2001

29-07-2005

Between:

Chenna Reddy Ravinder Reddy and 2 others.

…Petitioner.

And

The A.P.State Financial Corporation,

Rep.by its General Manager, Chirag Ali Road,

Abids, Hyderabad and others.

…Respondents.

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ORDER :

The petitioners are the Directors of the third respondent company. The A.P.State Financial Corporation(APSFC) sanctioned a sum of Rs.12,90,000/- towards the term loan. As the amounts were not paid, the APSFC, first respondent herein, initiated proceedings under Section 29 of the Andhra Pradesh State Financial Corporations Act, 1951 and brought the properties of the third respondent company to sale. It appears, the amounts realized were not sufficient to discharge the debt, therefore, the Special Deputy Tahsildar, second respondent herein, attached to the first respondent Corporation issued the impugned notice
dated 27-12-200 calling upon the petitioners to pay a sum of Rs.12,61,885/-. The petitioners were also informed that if the amount is not paid, necessary action would be initiated under the provisions of Andhra Pradesh Revenue Recovery Act, 1864 (for short 'the Act'). Assailing the same, the present writ petition is filed.

It is contended that under the Act it is not permissible for the APSFC to recover the time barred debt. According to the petitioners the loan was sanctioned in 1987 and as per Article 113 of the Limitation Act, the amount ought to be realized within a period of three years.

After hearing the learned Counsel for the petitioners and learned Standing Counsel for SFC, this Court is convinced that the writ petition is premature. The Supreme Court in **State of Kerala v. V.R. Kalliyanikutty** and this Court in **N.A.Radha v. State of A.P.** laid down that the time barred debt of APSFC cannot be treated as "amount due" to the revenue for the purpose of invoking Section 52-A of the Act. The respondents have not so far invoked the provisions under Section 52-A of the Act to give any cause of action to the petitioners. The petitioners were only advised to pay the amount, which has been long due. Unless and until further steps are taken, the petitioners cannot be said to have any redressible grievance.

Giving liberty to petitioners to avail appropriate remedies, as and when required, the writ petition is dismissed. No costs.

(V.V.S.RAO, J.)

29-07-2005

Msr.

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(Msr)